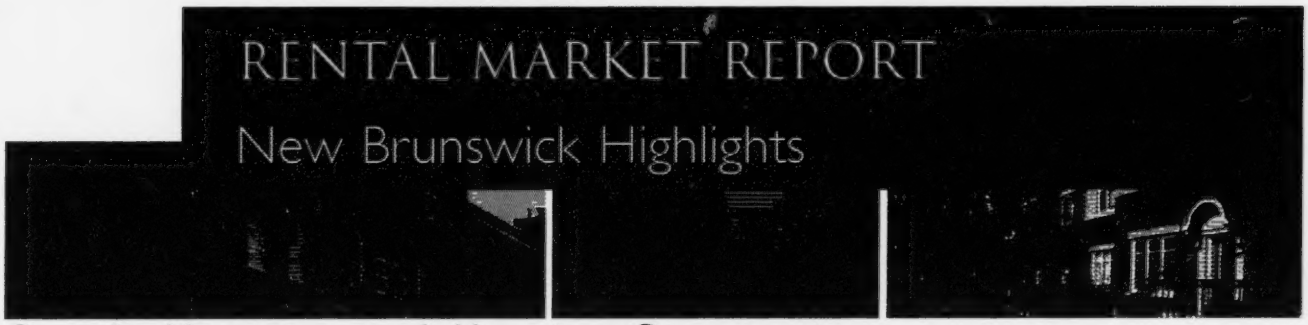
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

New Brunswick Highlights



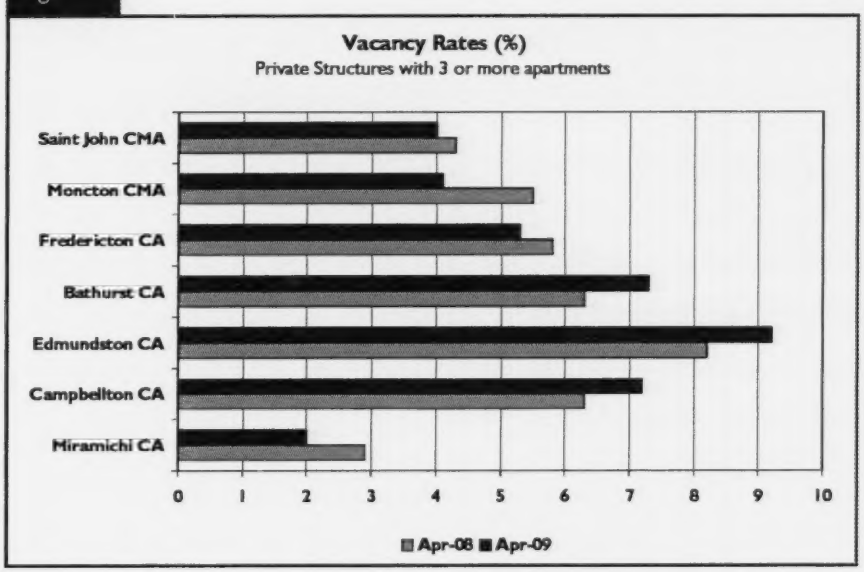
Canada Mortgage and Housing Corporation

Date Released: Spring 2009

Overall Vacancy Rate Declines in New Brunswick

- In the spring of 2009, the overall vacancy rate in New Brunswick's urban centres declined 0.6 percentage points to 4.7 per cent.
- The average rent in the province's urban centres was $625 per month.
- The vacancy rate declined in all three of the province's large urban centres – Saint John, Moncton and Fredericton.
- The vacancy rate was down 1.4 percentage points in Moncton, while the declines in Saint John and Fredericton were similar at 0.3 and 0.5 percentage points, respectively.
- In smaller urban centres, the vacancy rate varied between a low of 2.0 per cent in Miramichi to a high of 9.2 per cent in Edmundston.
- Fredericton and Moncton were the only urban centres in the province where the average rent exceeded the provincial average of $625.

Figure 1



Overview

According to the CMHC Rental Market Survey conducted in the spring of 2009, the vacancy rate in four of New Brunswick's seven urban centres was lower than the level recorded last spring. As economic development continues to attract people in the province's three large urban centres – Fredericton, Moncton and Saint John - demand for rental units has not faltered, particularly among younger people and empty nesters.

Greater Moncton continues to lead its provincial counterparts in terms of population growth. With a similar number of apartment starts recorded during the past three years, the

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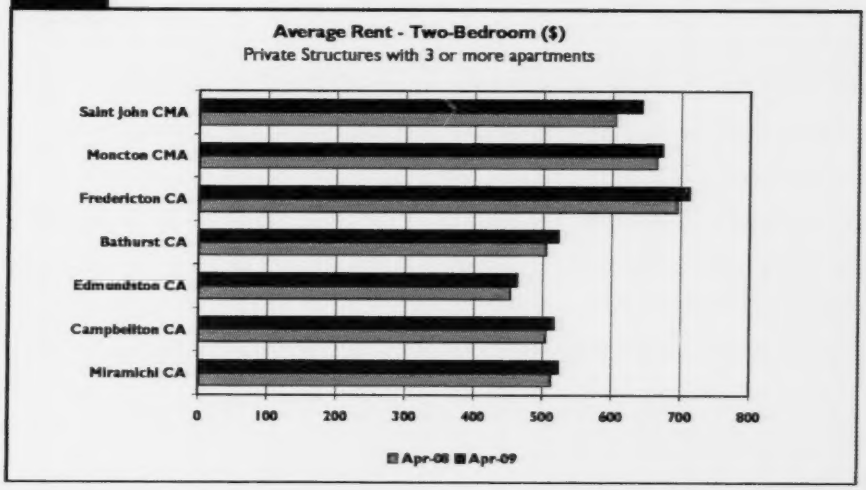
Figure 2



expansion of the local rental universe has not kept pace with demand. As a result, the vacancy rate in the spring of 2009 was down 1.4 percentage points to 4.1 per cent.

A similar trend unfolded in the capital region where population growth has also been significant. Unlike Greater Moncton, apartment starts in Fredericton have declined in recent years. With no significant reduction in demand and slower expansion of the local rental universe, the local vacancy rate decreased 0.5 percentage points to 5.3 per cent in April.

In Saint John, apartment starts increased for the third consecutive year in 2008, the result of several projects being started under the Federal-Provincial Affordable Housing Initiative. Despite increased construction activity, the vacancy rate declined in the spring of 2009 as demand for rental units increased. The rapid expansion of the energy sector in the region bodes well for current and future economic development in the region, generating enthusiasm regarding the region's longer term economic outlook. However, with limited construction of new rental units during the past decade, the expansion of the local rental universe has been unable to meet the increase in demand that coincided with the launch of several energy sector projects in recent years. As a result, the vacancy rate in the region continued to trend downward in the spring of 2009 with a 0.3 percentage point decline to four per cent.

Vacancy Rate – Small Urban Centres

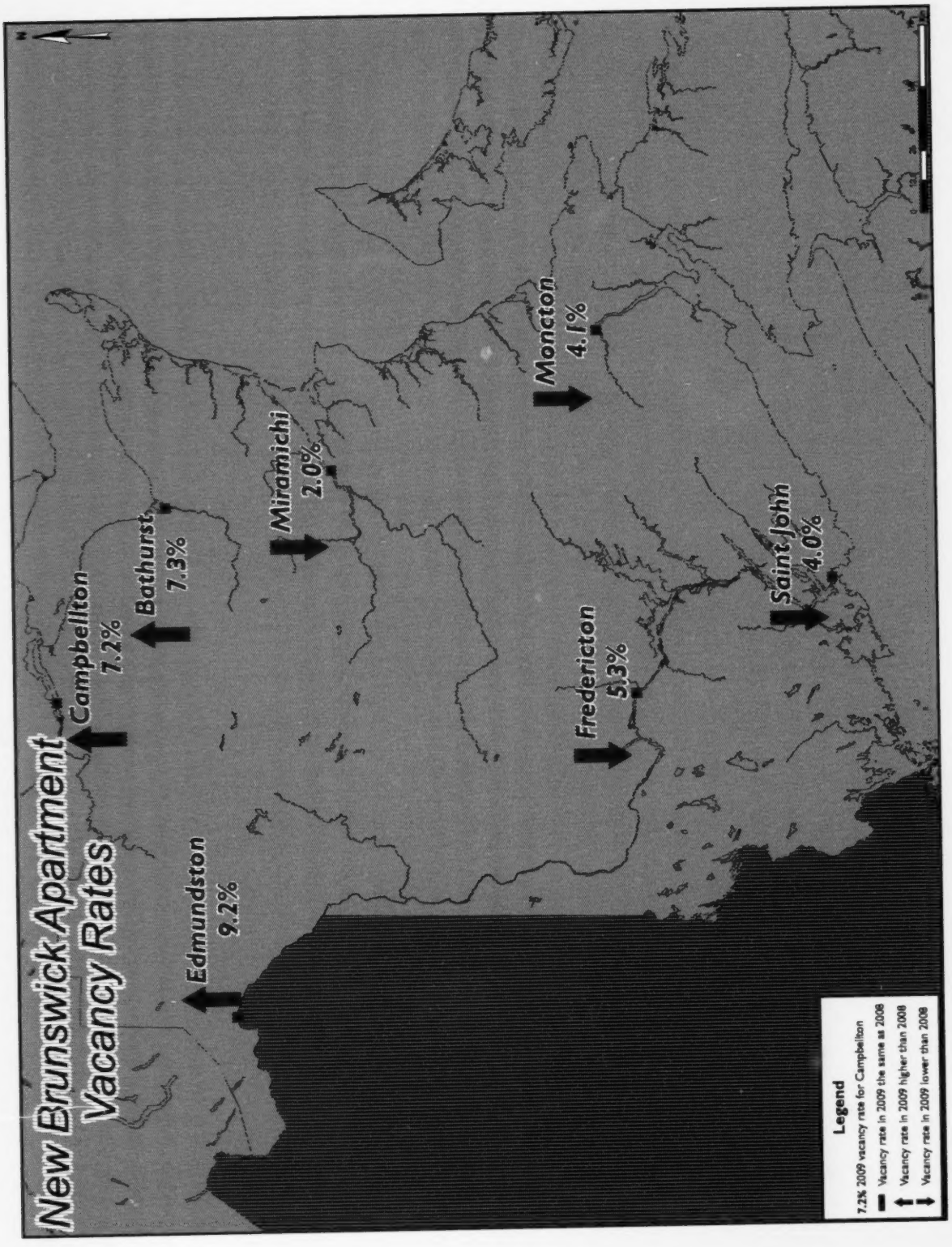
The vacancy rate in each of New Brunswick's smaller urban centres, with the exception of Miramichi, posted a year-over-year increase in the spring of 2009. The vacancy rate in each of these centres was higher than the provincial average. In Bathurst and Campbellton, the vacancy rate, which stood at 6.3 per cent in both centres in April of 2008, was up to 7.3 and 7.2 per cent, respectively. With an increase of one percentage point, the vacancy rate in Edmundston was the highest in the province at 9.2 per cent. At the other end of the spectrum, the vacancy rate in Miramichi was the lowest in the province at two per cent in the spring of 2009, down from last year's level of 2.9 per cent.

Average Rents – New Brunswick Urban Centres

Moncton and Fredericton were the only two urban centres in the province where the average rent exceeded the overall provincial average of $625. Steady demand for rental units, supported by positive in-migration, led to the highest average rents in the province at $706 and $644 for Fredericton and Moncton, respectively. In Saint John, economic development fuelled by the continued expansion of the energy sector has led to increased in-migration, bolstering demand for rental units. As a result, the average rent, which has traditionally trailed the provincial average, inched closer in the spring of 2009 at $610. The average rent in the smaller urban centres varied between $441 and $501 as out-migration limited rental unit demand and subsequently led to moderate rent increases.

Availability Rates

The availability rate in the province was down to 5.4 per cent in April compared to 5.9 per cent during the same period last year. Among the province's three large urban centres, Saint John posted the lowest availability rate at 4.5 per cent. Meanwhile, the availability rate in Moncton and Fredericton was comparable to the provincial average at 5.3 and 5.7 per cent, respectively. In the smaller urban areas, the availability rate was significantly higher than the provincial average, varying between 7.7 and ten per cent. The exception was in Miramichi, where the availability rate decreased by 0.9 percentage points to reach the lowest level in the province at 2.2 per cent.


New Brunswick Apartment Vacancy Rates
Campbellton 7.2%
Bathurst 7.3%
Miramichi 2.0%
Moncton 4.1%
Saint John 4.0%
Fredericton 5.3%
Edmundston 9.2%
Legend
7.2% 2009 vacancy rate for Campbellton
Vacancy rate in 2009 the same as 2008
Vacancy rate in 2009 higher than 2008
Vacancy rate in 2009 lower than 2008

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
Moncton CMA	4.9 d	5.5 d	5.2 b	3.5 c	5.6 b	4.1 b	**	5.5 c	5.5 a	4.1 b
Saint John CMA	4.8 d	5.0 d	4.9 c	5.0 c	4.1 b	3.6 c	3.9 d	3.5 d	4.3 b	4.0 b
Bathurst CA	14.6 a	16.3 a	9.4 a	9.3 a	2.6 a	4.6 b	6.1 a	**	6.3 a	7.3 a
Campbellton CA	**	**	7.0 b	10.0 c	4.9 a	5.2 b	4.1 a	1.6 c	6.3 a	7.2 b
Edmundston CA	**	**	11.4 c	13.8 c	6.5 b	6.3 b	9.0 c	4.7 d	8.2 a	9.2 b
Fredericton CA	3.9 d	9.5 c	5.5 b	5.3 b	6.1 b	4.7 a	5.1 c	6.5 c	5.8 a	5.3 a
Miramichi CA	4.0 a	0.0 c	3.2 a	1.3 a	2.8 a	2.4 a	2.1 a	0.0 a	2.9 a	2.0 a
New Brunswick 10,000+	**5.9 c**	**8.0 b**	**5.7 a**	**5.4 a**	**5.2 a**	**4.2 a**	**4.8 b**	**4.7 b**	**5.3 a**	**4.7 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
Moncton CMA	416 a	445 a	547 a	557 a	665 a	673 a	730 a	734 a	629 a	644 a
Saint John CMA	415 a	439 a	519 a	534 a	604 a	643 a	634 a	695 a	575 a	610 a
Bathurst CA	342 a	356 a	404 a	416 a	504 a	522 a	500 a	498 a	456 a	474 a
Campbellton CA	378 a	378 a	399 a	414 a	505 a	517 a	536 a	535 a	464 a	474 a
Edmundston CA	337 a	341 a	413 a	405 a	453 a	463 a	505 a	529 b	436 a	441 a
Fredericton CA	522 a	546 a	587 a	603 a	696 a	712 a	903 a	951 a	688 a	706 a
Miramichi CA	306 d	321 b	452 a	453 a	512 a	524 a	622 b	504 a	494 a	501 a
New Brunswick 10,000+	**424 a**	**453 a**	**524 a**	**535 a**	**635 a**	**653 a**	**727 a**	**753 a**	**604 a**	**625 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in April 2009 by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Moncton CMA	16 d	285	80 c	2,270	279 b	6,820	27 c	480	402 b	9,855
Saint John CMA	21 d	418	125 c	2,496	166 c	4,600	44 d	1,262	355 b	8,777
Bathurst CA	21 a	129	29 a	310	30 b	647	**	93	86 a	1,179
Campbellton CA	**	40	31 c	306	22 b	417	1 c	66	60 b	830
Edmundston CA	**	58	61 c	441	40 b	641	4 d	93	113 b	1,233
Fredericton CA	35 c	364	85 b	1,582	207 a	4,357	51 c	781	377 a	7,084
Miramichi CA	0 c	22	3 a	225	15 a	614	0 a	47	18 a	909
New Brunswick 10,000+	**106 b**	**1,317**	**413 a**	**7,631**	**759 a**	**18,096**	**132 b**	**2,823**	**1,410 a**	**29,867**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
Moncton CMA	**	**	6.3 b	4.7 b	6.4 a	5.4 b	7.0 c	6.8 c	6.4 a	5.3 a
Saint John CMA	5.4 d	5.0 d	6.1 c	5.2 c	4.4 b	4.3 b	4.4 d	3.8 c	4.9 b	4.5 b
Bathurst CA	14.6 a	16.3 a	10.1 a	9.7 a	2.6 a	5.1 b	6.1 a	**	6.5 a	7.7 a
Campbellton CA	**	**	7.7 b	11.4 c	4.9 a	5.9 b	4.1 a	1.6 c	6.7 a	8.0 a
Edmundston CA	**	**	13.1 c	14.8 c	8.3 a	6.6 b	10.5 d	5.9 d	9.9 a	10.0 b
Fredericton CA	3.9 d	9.5 c	5.8 b	5.9 b	6.2 b	5.1 a	5.1 c	6.8 b	5.9 a	5.7 a
Miramichi CA	7.9 a	0.0 c	3.7 a	2.2 a	2.8 a	2.4 a	2.1 a	0.0 a	3.1 a	2.2 a
New Brunswick 10,000+	**6.6 b**	**8.3 b**	**6.7 a**	**6.1 a**	**5.6 a**	**5.0 a**	**5.3 b**	**5.2 b**	**5.9 a**	**5.4 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent [1] by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09
Moncton CMA	5.0 d	**	2.1 c	2.1 b	2.0 b	2.1 a	2.0 c	2.3 c	2.3 b	2.4 b
Saint John CMA	**	**	**	4.6 c	3.2 c	4.5 c	3.6 d	5.2 d	3.1 c	5.5 c
Bathurst CA	5.0 a	++	4.2 a	3.1 b	1.9 a	3.4 c	2.0 c	++	2.8 a	3.7 b
Campbellton CA	**	**	++	2.3 b	++	2.7 a	2.7 c	++	++	2.3 a
Edmundston CA	++	++	**	**	1.2 d	3.2 d	++	4.7 d	1.6 c	2.6 b
Fredericton CA	**	++	++	**	++	1.5 d	++	2.7 c	++	1.6 c
Miramichi CA	**	**	5.9 b	**	4.2 c	3.7 b	**	0.8 a	4.7 c	3.1 c
New Brunswick 10,000+	**4.0 d**	****	**2.3 c**	**2.9 a**	**2.0 b**	**2.8 a**	**2.0 c**	**3.3 c**	**2.2 a**	**3.2 b**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in 2008 vs. $550 in 2009 represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the 2008 and 2009 Spring Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the April 2008 and April 2009 Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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